



General Assembly

February Session, 2000

Raised Bill No. 590

LCO No. 2445

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

An Act Concerning Insurance Guaranty Fund Credits.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (h) of section 38a-866 of the general statutes is
2 repealed and the following is substituted in lieu thereof:

3 (h) (1) Each insurer paying an assessment under sections 38a-858 to
4 38a-875, inclusive, may offset [fifty] one hundred per cent of the
5 amount of such assessment against its premium tax liability to this
6 state. [accrued with respect to business transacted in such year.] Such
7 offset shall be taken over a period of the five successive tax years
8 following the year of payment of the assessment, at the rate of twenty
9 per cent per year of the assessment paid to the association. Each
10 insurer which has offset assessments paid to the association from its
11 premium tax liability to the state shall pay to the state [fifty] one
12 hundred per cent of any sums which are acquired by refund from the
13 association pursuant to subsection (f) of this section. The association
14 shall notify the commissioner that such refunds have been made.

15 (2) An insurer may transfer any offset provided under this
16 subsection to an affiliate, as defined in section 38a-1, of that insurer.

17 Sec. 2. Section 38a-841 of the general statutes is amended by adding
18 subdivision (3) as follows:

19 (New) (3) (A) Each insurer paying an assessment under sections
20 38a-836 to 38a-853, inclusive, may offset one hundred per cent of the
21 amount of such assessment against its premium tax liability to this
22 state. Such offset shall be taken over a period of the five successive tax
23 years following the year of payment of the assessment, at the rate of
24 twenty per cent per year of the assessment paid to the association.
25 Each insurer which has offset assessments paid to the association from
26 its premium tax liability to the state shall pay to the state one hundred
27 per cent of any sums which are acquired by refund from the
28 association pursuant to subdivision (2) of this section. The association
29 shall notify the commissioner that such refunds have been made.

30 (B) An insurer may transfer any offset provided under this
31 subdivision to an affiliate, as defined in section 38a-1, of that insurer.

32 Sec. 3. Section 38a-849 of the general statutes is repealed.

33 Sec. 4. This act shall take effect from its passage and shall be
34 applicable to income years commencing on and after January 1, 2000.

Statement of Purpose:

To permit insurers to offset against their premium tax liability any
assessment paid to the insurance guaranty funds.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline,
except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is
not underlined.]*